

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD**

CP (IB) No. 282/7/HDB/2017

U/s 7 of IBC, 2016,
R/w Rule 4 of IBC (AAA) Rules, 2016

In the matter of

Axis Bank Limited,

Registered office: Tribhuli Third Floor, Near Law
Garden Ellisbridge, Ahmedabad- 380 006

Corporate office: Bombay Dyeing,
Mills Compound, PandurangBudkhar Marg,
Worli, Mumbai 400 025

...Petitioner
/ Financial Creditor

Versus

Sevenhills Healthcare Private Limited
11-4-4/A, Rockdale Layout
Waltair Main Road Visakhapatnam
Andhra Pradesh 530002, India

..Respondent /
Corporate Debtor

Order pronounced on :13th March, 2018

Coram:

Hon'ble Shri Rajeswara Rao Vittanala, Member (Judicial)

Counsels/Parties present:

For the Petitioner:

Shri S. Niranjan Reddy, Senior
Advocate along with Shri Avinash
Desai, Shri Satya Siva Darshan, Ms
Alekhya Tadasina, Shri Khamar
Kantemneni, Ms Sukanya
Bhaumik, Shri Vivek Shetty and Ms
Rubaina S. Khatoon, Advocates

For the Respondent:

Shri Alok Dhir, Senior Advocate
along with Shri Amir Ali Bavani,
Ms.Varsha Banerjee, Shri A.S.
Prashanth, Advocates.



For CA No.14/2018 Shri A. Hanumantha Reddy along
with Ms. M. Santi Kumari,
Advocates

For CA no. 32/2018 Shri P.S. Sastry along with Shri
M.D. Phaneendra, Advocates

Per: Rajeswara Rao Vittanala, Member (Judicial)

ORDER

1. The present Company Petition bearing CP (IB) No. 282/7/HDB/2017, is filed by Axis Bank Limited (Financial Creditor), u/s 7 of Insolvency and Bankruptcy Code, 2016, R/w Rule 4 of Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016, by inter-alia seeking to initiate Corporate Insolvency Resolution Process (CIRP) in respect of Sevenhills Healthcare Private Limited (Corporate Debtor).

2. Brief facts, leading to filing of the present Company Petition, are as follows:-

(1) **Axis Bank Limited** (Petitioner / Financial Creditor) was incorporated on 3rd December 1993.

(2) **Sevenhills Healthcare Private Limited** (Respondent / Corporate Debtor/Company) was incorporated on 13.04.2004 under the Companies Act, 1956. The Authorised Share Capital of the Corporate Debtor is Rs. 401,00,00,000 (Rupees Four hundred and one crores) divided into Rs. 40,10,00,000/- (Rupees Forty crores and ten lakhs) equity shares of Rs. 10/- (Rupees Ten) each.



Paid - up Share Capital is Rs.101,70,35,930 (Rupees One hundred one crore seventy lakhs thirty five thousand nine hundred and thirty).

- (3) The Corporate Debtor is in the business of healthcare services from its hospital located at Andheri, Mumbai in Maharashtra among others. The Corporate Debtor had requested for financial assistance for setting up the said hospital, in consortium arrangement with other Banks. The Financial Creditor, at the request of the Corporate Debtor has advanced both Bilateral Facilities and Consortium Facilities (along with other Banks) to Sevenhills, the details of which are as under:-



- (i) Under the **Bilateral Facilities**, the Bank has sanctioned an amount of Rs. 418,21,00,000.00 (Rupees Four hundred eighteen crore and twenty one lakhs).
 - (ii) Under the **Consortium Facilities**, the Bank has sanctioned an amount of Rs. 271,19,00,000.00 (Rupees Two hundred seventy one crore and nineteen lakhs).
- (4) The Corporate Debtor has, from time to time created Security Interest by way of hypothecation of all its movable properties and mortgage of all its immovable properties as security for due repayment of the sum advanced by the Financial Creditor.
- (5) The Business and the operations of the Corporate Debtor have come under strain due to various internal and external reasons, lower operational capacity and utilization, etc, which were beyond

its control and resulted in present liquidity issues. As a result, the ability of the Corporate Debtor to meet its repayment obligations / liabilities under the Axis loan is adversely affected and it requested the Financial Creditor to restructure the Axis Loan to support the Corporate Debtor. Taking into consideration Corporate Debtor's commitment to improve its operations, Axis Loan approved a restructuring package in terms of which the Axis Loans to be restructured was set out in the Sanction letter No. AXISB/CO/SFG/PT/2014-15/100 dated 13.06.2014 issued by the Financial Creditor to the Corporate Debtor.



- (6) Under the Axis Loan and Finance Documents, the Financial Creditor has restructured the Axis Loan/outstanding dues which are more fully described as **"Restructured Loan"**, on the terms and conditions mentioned therein and on such terms and conditions as mentioned in the restructuring documents executed / to be executed by and between the Corporate Debtor and Axis Bank.
- (7) The Bilateral Facilities and the Consortium Facilities have been secured by various securities provided by the Corporate Debtor, and the promoters of Sevenhills Hospital, in their capacity as guarantors. Such security interest was created in favour of the Security Trustee, for the benefit of Axis Bank, in terms of the Security Trustee Agreement dated June 30, 2014. Aggregate amount of Rs. 737,58,06,619.20 as on October 23,

2017 was due and outstanding from the Corporate Debtor.

- (8) The Bilateral Facilities and the Consortium Facilities have been secured by various securities provided by the Corporate Debtor, and the promoters of Sevenhills Hospital, in their capacity as guarantors. Such security interest was created in favour of the Security Trustee, for the benefit of Axis Bank, in terms of the Security Trustee Agreement dated June 30, 2014.
- (9) The Respondent/ Corporate Debtor defaulted in making repayments towards both the Bilateral Facilities as well as the Consortium Facilities. Hence, the account of the respondent had to be classified as a Non-Performing Asset in the books of the Bank with effect from April 2, 2016 as per the extant RBI guidelines.
- (10) In view of the defaults committed by the Respondent, on April 15, 2016, a notice of sale under the bilateral pledge agreement was addressed to Dr.Jitendra Das Maganti (the pledger of the bilateral pledged shares), from the Advocates of the Bank, stating that on account of the default in the repayment of the outstanding amounts under the Bilateral Facilities, an event of default has occurred and that the bilateral pledged shares will be sold to recover the amounts outstanding as on date i.e. Rs. 352,30,09,508.49,



being the amounts outstanding towards the Bilateral Facilities.

- (11) The Corporate Debtor vide letter dated April 16, 2016, in reply to the aforesaid letter stated that, it is in the process of making necessary arrangements for resolving the issue related to the default. Further, the Corporate Debtor requested for a period of 30 days for making necessary arrangements to resolve the issue in view of Clause 7 of the bilateral pledge agreement. The Financial Creditor/ Petitioner through their Advocates' letter dated April 20, 2016 acceded to the request made by the Corporate Debtor and granted a period of 30 days (with effect from April 15, 2016) to make payment of the outstanding amounts under the Bilateral Facilities and informed the Corporate Debtor that in the event of failure to repay the outstanding amounts, the Financial Creditor/Petitioner will enforce the pledge on the bilateral pledged shares under clauses 7 and 10 of the bilateral pledge agreement.



- (12) However, despite obtaining a 30 days' notice period, the Corporate Debtor failed to make repayment of the outstanding amounts towards the Bilateral Facilities. Thus, on May 18, 2016, the Financial Creditor/Petitioner addressed a letter to Axis Trustee, acting as the security trustee for the benefit of the Financial Creditor/Petitioner ("Security Trustee"), inter alia providing

instructions for invocation of the bilateral pledged shares.

- (13) On account of the failure of the Corporate Debtor to make timely repayment, the Financial Creditor/Petitioner was constrained to issue a notice for invocation of pledge of the aforesaid shares. This invocation of the pledge on the bilateral pledged shares was challenged by Mr. Jitendra Maganti and Maganti Jitendra Das HUF by way of a suit bearing O.S. No. 268 of 2016 filed before Hon'ble Principal District Judge, Visakhapatnam. An Interlocutory Application No. 1255 of 2016 ("I.A") was also filed in the aforesaid suit seeking temporary injunction against the Financial Creditor/Petitioner from dealing with the aforesaid pledged shares in any manner, pending disposal of the suit and the Hon'ble Principal District Judge, Visakhapatnam dismissed the aforesaid I.A. No. 1255 of 2016 *vide* order dated August 24, 2016. The suit has also been withdrawn.



- (14) A Civil Miscellaneous Appeal bearing No. 775 of 2016 was filed by Mr. Jitendra Maganti and Maganti Jitendra Das HUF on August 26, 2016 before the Hon'ble High Court at Hyderabad against dismissal of the said I.A. The Hon'ble High Court at Hyderabad was pleased to dismiss the said Appeal *vide* its order dated October 17, 2016 and granted the Corporate Debtor 30 days' time to

repay the outstanding amounts in in relation to the Bilateral Facilities.

- (15) Mr. Jitendra Maganti and Maganti Jitendra Das HUF filed an extension application in the aforesaid appeal requesting the Hon'ble High Court for (i) an extension of time in the repayment of the outstanding amounts up to May 31, 2017 and (ii) for directions that the Financial Creditor/Petitioner and the Security Trustee shall not take further actions on the bilateral pledged shares. The matter was further listed before the Hon'ble High Court in Hyderabad on November 10, 2016 when the Hon'ble High Court rejected the request made by the Financial Creditor/Petitioner to extend the time for repayment till May 31, 2017 and only granted 3 weeks for repayment.



- (16) Being aggrieved by the orders of the Hyderabad High Court, Mr. Jitendra Maganti and Maganti Jitendra Das HUF preferred a Special Leave Petition being SLP 35575-76 of 2016, before the Hon'ble Supreme Court of India ("**SLP**"). When the matter came up for hearing before the Hon'ble Supreme Court, an order dated 15th December, 2016 passed by directing the Corporate Debtor to make payments of the amounts outstanding in the manner directed. Till then, the Financial Creditor/Petitioner Bank was directed not to take any action to sell any of the pledged shares. The order dated 15th December, 2016 is extracted below:

"Having heard the learned senior counsel appearing on behalf of both the sides, we are of the view that the interest of justice will be secured if an amount of Rs. 450 crores (Rupees Four Hundred and Fifty Crores) is paid directly by the petitioner(s) (or through Respondent No.3) to Respondent No. 1 - Axis Bank Ltd., on or before 30.03.2017; and the remaining outstanding amount is paid thereafter, directly by the petitioner(s) (or through Respondent No.3) to Respondent No. 1 - Axis Bank Ltd. by 31.05.2017.



Ordered accordingly.

Till then, no action will be taken by the respondents to sell any of the pledged shares between the parties, whether they are the subject matter of Suit No. 268 of 2016 or otherwise.

We have been informed by Sh. P. Chidambaram, learned senior counsel appearing on behalf of Respondent Nos. 1 and 2 that nothing will be done during this period to oust the respondents from the Management of Respondent No.3 or the hospitals owned by Respondent No.3

Needless to add, any one default will lead to dismissal of the Special Leave Petitions, without further reference to

the Court. With the above observations and directions, these Special Leave Petitions are disposed of. Pending interlocutory applications, if any, are disposed of."

- (17) The outstanding amount as referred to in the Apex court Order contains Financial Creditor/Petitioner's exposure in respect of both, bilateral as well as its share in the consortium facilities. The Order expressly directed the Corporate Debtor to (i) make payment of Rs. 450 crores to Financial Creditor/Petitioner by March 30, 2017; (ii) further make payment of the balance Outstanding Amounts to the Financial Creditor/Petitioner by May 31, 2017 and (iii) in the event of any default, the SLP filed by Mr. Jitendra Maganti and Maganti Jitendra Das HUF before the Hon'ble Supreme Court, will lead to dismissal of SLP without further reference to Court. Despite the said Order, no payment was made by the Corporate Debtor to the Financial Creditor/Petitioner.



- (18) The Company Petition has been filed by the Financial Creditor/Petitioner due to continuous defaults made by the Corporate Debtor. There is a clear evidence of the existence of debt and existence of default on the part of the Corporate Debtor, under the provisions of the Insolvency and Bankruptcy Code, 2016.

3. The Company petition is opposed by the Corporate Debtor by filing a counter affidavit dated 28.12.2017 followed by written submissions dated 9th February, 2018 by inter-alia contending as follows:-

(i) **The alleged default in the instant case is not crystallized as on date and accordingly the instant petition is legally untenable**

- (a) Default in terms of Section 3(12) of the IBC warrants non-payment of debt which has become due and payable. A debt becomes due and payable only when it is crystallized and admitted between the parties. In the instant case in absence of due crystallization of any amount as allegedly due and payable by the Corporate Debtor to Axis Bank, the default clause of the IBC is not triggered and thus the present petition is liable to be dismissed by this Hon'ble Tribunal.

- (b) The Corporate Debtor has filed a petition being S.A. No. 227 of 2016 before the DRT, challenging the action as initiated by Axis Bank vide Demand Notice dated 06.06.2016. The matter is currently pending adjudication before the DRT, Visakhapatnam. The Corporate Debtor in the said Petition is denying the alleged claim of Axis Bank.

- (c) The instant petition in the said background is liable to be dismissed as there is no default in payment of dues as on date.



- (ii) **Axis Bank is guilty of forum-shopping - There is already a restraint order dated 26.07.2017 in force in case of the Respondent Corporate Debtor in Appeal No. 117/2017 in O.A 987/2016 in DRT, Vishakhapatnam.**

In the present case, the Hon'ble Debt Recovery Appellate Tribunal, Kolkata has restrained the Respondent Corporate Debtor from transferring, alienating and creating any third party interest in the movable and immovable properties belonging to and owned by the Respondent Corporate Debtor. The said restraint order has been passed in proceedings initiated by Axis Bank itself.

It is submitted the reliefs as sought by Axis Bank in the present case will directly interfere with and interject the proceedings as initiated by Axis Bank before the Appellate Tribunal. It is submitted that in terms of the provisions of the IBC, the effect and impact of the above mentioned order shall create a situation of anomaly. Accordingly, the instant Application of Axis Bank is legally untenable in view of the settled legal position that forum-shopping is legally impermissible.

- (iii) **Locus of Axis Bank in preferring the present petition under the provisions of IBC**

- (a) That in the present case, an Amended and Restated Security Trustee Agreement dated 30.06.2014 was executed between the Corporate Debtor, Axis Bank i.e. Applicant Bank and Axis Trustee Services Limited for



the purpose of creating the Security for term loan and collateral security for the Overdraft facility and also to revise the security for the Corporate Loan. The said Amended and Restated Security Trustee Agreement superseded the provisions contained in the Original Security Trustee Agreement dated 30.03.2012.

- (b) Thereafter, an Amended and Restated Agreement for Pledge of Shares dated 30.06.2014 was executed between Maganti Jitendra Das, a HUF acting through its Karta i.e. Jitendra Das and between Axis Trustee Services Limited, whereby shares of Corporate Debtor held by Maganti Jitendra Das (HUF) to the extent of 2,59,86,285 amounting to 25.55% were pledged in favour of the Applicant.
- (c) Subsequently, Consortium Pledge Agreement dated 25.09.2014 was executed by Maganti Jitendra Das HUF in favour of Allahabad Bank for itself and all other Banks in the consortium including Applicant Bank, whereby 2,34,52,640 fully paid equity shares of Corporate Debtor were pledged with the Consortium.
- (d) A Consortium Pledge Agreement dated 25.09.2014 was also executed by Mrs Renuka Maganti in favour of Allahabad Bank for itself



and all other Banks in the consortium including Applicant Bank, whereby 8,98,786 fully paid equity shares of Corporate Debtor were pledged with the Consortium.

- (e) A further Consortium Pledge Agreement dated 25.09.2014 was also executed by Dr. Jitendra Das Maganti in favour of Allahabad Bank for itself and all other Banks in the consortium including Applicant Bank, whereby 6,15,789 fully paid equity shares of Corporate Debtor were pledged with the Consortium.



- (f) That in terms of the above Pledge Agreements, the Financial Creditor issued letter dated 18.05.2016 for invocation of pledge of 2,59,86,285 shares
- (g) That after invocation of pledge by Financial Creditor, the Financial Creditor has become the equity shareholder of the Corporate Debtor and currently holds 2,59,86,285 shares to the extent of 25.55% of the Corporate Debtor. The same can be seen from the Holders Listing of NSDL.
- (h) It is stated that after invocation of the pledge, the Applicant is now the equity shareholder of the Corporate Debtor. In view of the same, it is to be determined as to whether a shareholder is legally entitled to initiate insolvency proceedings in the case of a Corporate Debtor. Since the shareholders are

in effect are the owners of a Corporate Debtor, initiation of insolvency proceedings by the shareholders is not specifically provided under the provisions of IBC.

- (i) The shareholders are the members of the Corporate Debtor and members can initiate CIRP against Corporate Debtor only after due authorisation under the constitutional document of the Corporate Debtor. Section 5(5) of the IBC is reproduced herein below:



“(5) “corporate applicant” means –

- (a) corporate debtor, or*
 - (b) a member or partner of the corporate debtor who is authorized to make an application for the corporate insolvency resolution process under the constitutional document of the corporate debtor; or*
 - (c) an individual who is in charge of managing the operations and resources of corporate debtor; or*
 - (d) a person who has the control and supervision over the financial affairs of the corporate debtor;”*
- (j) That the shareholders of the Corporate Debtor are not authorized under its Memorandum of Association and Articles of Association to file a petition for initiation of CIRP of the Corporate Debtor and hence, the instant application filed by the Applicant Bank is liable to be dismissed by this Hon'ble Tribunal.

(iv) **APPLICATION FILED BY THE APPLICANT IS NOT IN ACCORDANCE WITH THE MANDATORY PROVISIONS OF IBC:**

- (a) An application under Section 7 of the IBC is to be filed in terms of Rule 4(1) of The Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 ('Rules of 2016'). The said Rule mandates that an application under Section 7 of the IBC shall be filed in Form 1 of the said Rules of 2016.
- (b) In terms of Form-I of the Rules of 2016, it is mandatory upon the Applicant to name an Interim Resolution Professional ('IRP') in the Application and in terms of Rule 9 of the Rules of 2016, it is mandatory upon the Applicant Bank to obtain consent of the IRP in Form 2 and enclose it along with the application made under Rule 4 of Rules of 2016. The petitioner has named Mr. Abhilash Lal as an Interim Resolution Professional in the matter but the written consent of the IRP is not in accordance with Form 2 as mandated under Rule 9 of Rules of 2016. The written communication of the IRP is incomplete as the Applicant has failed to make necessary disclosure as provided in the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.
- (c) That the Corporate Debtor is an operating Corporate Debtor having approximately 3000



employees on its rolls. In view of the same, initiation of insolvency proceedings is not in the interest of any of the stakeholders.

- (d) That in view of the foretasted, the instant Petition filed by the Applicant Bank is legally untenable and liable to be dismissed by this Hon'ble Tribunal.

4. The Learned Counsel for the Petitioner / Financial Creditor vide additional affidavit dated 29.12.2017, has inter-alia contending as follows:-

- (a) After the filing of the Company Petition, certain letters and correspondence were received by the Petitioner from the doctors and surgeons working at the Corporate Debtor Hospital by interalia stating as follows :

- (i) Several doctors and consultants associated/employed with the Hospital have not been paid their dues and salaries for the last 3-5 months on account of the shortage of funds. There are several instances of mismanagement of the Hospital which has hampered the operations at the Hospital;
- (ii) The shortage of funds and mismanagement of the Hospital is causing severe prejudice and hardships to the patients and the families of the patients. In fact, the same is endangering the lives and the wellbeing of the patients;



- (iii) There is a serious requirement of funds for procuring the essential services and materials for the running of the Hospital.
- (b) He further submits that on perusal of aforesaid letters and correspondence received by the petitioner Bank demonstrates serious instances of mismanagement by the existing promoters of the Corporate Debtor and the hardship faced by the patients and the doctors alike. It also reveals the dire state of affairs in the Hospital and the collective grievance and anxiety of the patients and doctors alike.
- (c) Further, as reported in a newspaper (Times of India) on 28 December, 2017, over 50 doctors at the Sevenhills hospital at Marol, Mumbai have also decided to go on a protest from Thursday 28, December, 2017 for their unpaid salaries.
- (d) Therefore, the Company Petition is to be admitted at the earliest so as to initiate and facilitate the corporate insolvency resolution process without any further delay and any further delay in initiating the resolution process might cause loss of lives and resources, which will be detrimental to the interests of the Hospital.
5. The Learned Counsel for the Corporate Debtor in response to the additional affidavit dated 29.12.2017 by the Financial Creditor, has further filed counter affidavit dated 17.01.2018, by inter alia contending as follows:-



- (1) The allegations made in the Affidavit under reply are extraneous to the proceedings under IBC. Thus, the instant affidavit filed by the petitioner should not be taken on record and it should reject out rightly. As per law, electronic documents without supporting Affidavit in terms of Section 65B of the Indian Evidence Act, 1872. Cannot be relied upon and hence, any reliance on those electronic documents is misconstrued and not admissible in evidence.
- (2) It is contended that on account of Petitioner's failure to release funds from the 25% cut back, there has been a delay in remittance of the salaries of the doctors and surgeons. However, the said delay has been improperly projected to prejudice the case of the Corporate Debtor. The Corporate Debtor has approximately 3000 employees on its rolls and every question requires deeper examination because the consequences will affect the public at large. . The allegation that the affairs of the Corporate Debtor are being mismanaged which has hampered the operations at the hospital is denied. .
- (3) The consortium has appointed M/s Grant Thornton as their cash / fund management for monitoring the day to day transaction of the Corporate Debtor which can be corroborated by the letter dated 16.06.2017 sent by the Applicant to the Corporate Debtor. So there will no payment / transfer of funds is done without the concurrence of M/s Grant Thornton .Therefore, it



is contended that there is no question of mismanagement to the Corporate Debtor.

- (4) The provisions of law i.e. IBC in the instant case has to be followed in the present case. The instant petition is pre-mature and no interest of any shareholder shall be met with the admission of the proceeding. It is in the interest of justice that the Corporate Debtor be permitted to continue its operations outside IBC owing to its peculiar matter of services i.e. medical services.

6. The Petitioner / Financial Creditor vide rejoinder dated 25.01.2018, has inter-alia stated as under:-

- (1) The account of the Corporate Debtor is being managed in the following manner:

- i. The inflows and earnings of the Corporate Debtor are directed to the Trust Retention Account maintained with Allahabad Bank (for the Mumbai Hospital) and the current account maintained by the Hospital with Axis Bank.
- ii. As decided by the lenders (including the Petitioner) at the Joint Lenders Meetings dated May 18, 2017 and June 9, 2017, 25% of the inflow ("**CutBack**") into the Accounts would be utilized for the repayment of the outstanding amounts of the Corporate Debtor. The balance 75% of the inflow was made available to the Corporate Debtor for meeting the expenses of the Hospital that



included the remuneration of the doctors as well.

- iii. The Corporate Debtor has been severely mismanaged. There was no CEO/CFO to look into the affairs of the Hospital. Therefore, the lenders decided to appoint a cash flow monitoring agency to monitor the income and the expenses of the Hospital. Grant Thornton was thereafter appointed under the collective decision of the lenders to look into the cash management of the Hospital.
- iv. Grant Thornton is in charge of the day to day cash monitoring in relation to the Accounts. The scope of work includes review of expense sheets submitted by the Hospital and commenting on the utilization of funds from the Accounts in accordance with the priority of payments.
- v. Grant Thornton is primarily responsible for the daily monitoring of transactions for utilization of the available funds. Utilization is based on a priority list of payments to be made (such as statutory dues, salaries, interest, utilities, critical vendors, other vendors etc.) along with adequate documentation in support of the payments to be made.

- (2) That average monthly revenue generated from the Mumbai Hospital and the Vizag Hospital is



approximately Rs. 20 crores. Pursuant to the Cut Back at 25% from the revenue inflow which was utilized by the lenders (including the Petitioner), an amount of approximately Rs.15 crores (on an average monthly basis) was made available by the lenders for the day to day running of the Hospitals.

- (3) As and when the salaries payment list was made to the doctors and the surgeons are submitted by the Hospitals for approval to Grant Thornton, the same has been approved. There has not been a single instance, wherein the payment to the doctors has not been approved by the lenders. This being so, the non-payment of salaries to the doctors as alleged in the present Application cannot be attributed to the Petitioner and the other lenders as sought to have been alleged in the Petition. The Respondent Corporate Debtor has defaulted in making payment of an amount of about Rs. 1200 crores to the Petitioners and the other lenders. This money is public money. The whole scheme of IBC is to ensure that the NPAs of the country are brought down and public money is brought back to the system so as to maximize the economic benefits to the general public.
- (4) The Hospital authorities have made belated requests to Grant Thornton for the approval of the salaries (for which payment has been approved promptly by Grant Thornton and the Petitioner (on behalf of itself and other lenders), as per the salary payment lists prepared by the Hospitals).



- (5) Further submitted that the present management of the Corporate Debtor is responsible for the existing situation at the Hospitals. The management of the Hospitals did not submit the salary payment lists on time for the approval of the Petitioner, thereby causing a situation wherein the doctors have not been paid their dues for the last several months.
- (6) It is contended that section 60(5) of the Insolvency and Bankruptcy Code, 2016 ("**IBC**"), this Tribunal can entertain any application against the Corporate Debtor for insolvency resolution process of the Corporate Debtor. The Financial Creditor deny that the filing of the Additional Affidavit is not prescribed under the provisions of Section 7 of the IBC. Further the contents of the emails and correspondence are not disputed. The doctors, in the Affidavit dated January 18, 2018, have submitted that the management of the Hospital has not made the payments of salaries to the doctors for the last six months. They have further submitted that the Hospital has not disputed the demand notice addressed by the doctors, giving details of the outstanding amounts..
- (7) The Petitioner, at the meeting of the Joint Lenders Meet ("**JLM**") held on May 18, 2017, discussed the issue of cut back of 25% in details. The Petitioner also invited the opinion of the other lenders of the Joint Lenders Forum. It was observed at the JLM that there was a deficit of cash inflows to support



the expenditure of the Hospitals and that the company officials need to present a concrete plan to plug the deficit and to service the debt. It was further decided that none of the members of the JLM was inclined to consider any reduction in the cut back on account of the huge amount of loans that are due and payable by the Corporate Debtor. At the JLM held on June 9, 2017, the Promoters failed to provide any action plan for the settlement of the dues of the lenders. Therefore, the lenders reiterated their earlier decision to continue with the 25% cut back and utilize the same for the repayment of the outstanding debts. Despite the request made by the Petitioner and the other member banks of the JLM to the Hospital, till date, the Corporate Debtor officials have failed to produce any concrete plan to manage the deficit in the cash inflow and the cash expenditure or for the servicing of the debts.



- (8) The Petitioner submits that the affairs of the Corporate Debtor are being severely mismanaged resulting in the present state of affairs of the Hospital. It denies that Petitioner has raised objections to prejudice the defence of the Corporate Debtor, as alleged or otherwise. It is further denied that the Petitioner has sought for any relief against the mismanagement of the Hospital, as alleged or otherwise. The Petitioner has filed the Additional Affidavit in support of and in furtherance of their submissions made in the Company Petition. .

- (9) Further, it is settled law that the Hon'ble Tribunal, in a section 7 petition filed under the IBC is only required to ascertain whether there is a debt and whether there has been a default in repayment of the debt. Admittedly, there is a debt and there has been a default in repayment of the debt. This being so, the Company Petition ought to be admitted by this Hon'ble Tribunal. The Petitioner denies the fact that in the interest of justice the Corporate Debtor should be permitted to continue with its operations on account of the nature of services rendered by the Corporate Debtor. The present management/promoter of the Corporate Debtor has not only failed to manage the services of the Hospitals in an effective manner, but has also failed to repay the huge amounts of the loans of the Corporate Debtor, despite repeated directions of the Hon'ble High Court and the Hon'ble Supreme Court.



7. The Respondent / Corporate Debtor has filed additional affidavit dated 29.01.2018, by inter-alia submitting as follows:-

- (1) The present petition is liable to be dismissed in line with the judgment passed by the Hon'ble Appellate Tribunal in the matter of Starlog Industries.
- (2) Axis Trustee Services Ltd. which has illegally issued notice under SARFAESI Act also has invokes shares for and on behalf of the Applicant on account of the alleged default on the part of the Corporate Debtor. In furtherance of the said

invocation, Axis Trustee Services Limited as on date is also being reflected as a shareholder in the Corporate Debtor having 25986285 shares.

- (3) That the Petitioner herein has despite getting ownership rights over the shareholding of the Corporate Debtor way back in August 2017 has till date not provided any set off against the said invocation. The instant petition wherein an amount of approximately Rs.700 crores is allegedly claimed as default does not provide for any reduction on account of transfer of shares. In the said background it is evident that the conduct of the Applicant is not bonafide and accordingly, the instant application be dismissed by this Hon'ble Tribunal.

- (4) In case of default, the pledger may invoke pledge after giving a reasonable notice of sale in terms of the Section 176 of the Contract Act to the pledgee. The Hon'ble Supreme Court in the matter of Balkrishan Gupta vs. Swadeshi Polytex Limited observed as follows:

"33. The fact that 3,50,000 shares have been pledged in favour of the Government of Uttar Pradesh also would not make any difference. Sections 172 to 178-A of the Indian Contract Act, 1872 deal with the contract of pledge. A pawn is not exactly a mortgage as observed by this Court in Lallan Prasad v. Rahmat Ali the two ingredients of a pawn are:

- (1) *that it is essential to the contract of pawn that the property pledged should be actually or constructively delivered to the pawnee and (2) a pawnee has only a special property in the pledge but the general property therein remains in the*



pawner and wholly reverts to him on discharge of the debt. A pawn therefore is a security, where, by contract a deposit of goods is made as security for a debt. The right to property vests in the pledgee only so far as is necessary to secure the debt.... The pawner however has a right to redeem the property pledged until the sale. (emphasis supplied) In *Bank of Bihar v. State Bank of Bihar* also this Court has reiterated the above legal position and held that the pawnee had a special property which was not of ordinary nature on the goods pledged and so long as his claim was not satisfied no other creditor of the pawner had any right to take away the goods or its price. Beyond this no other right was recognised in a pawnee in the above decision.

Under Section 176 of the Indian Contract Act, 1872 if the pawner makes default in payment of the debt, or performance, at the stipulated time, of the promise, in respect of which the goods were pledged, the pawnee may bring a suit against the pawner upon the debt or promise, and retain the goods pledged as a collateral security, or he may sell the thing pledged, on giving the pawner reasonable notice of the sale. In the case of a pledge, however, the legal title to the goods pledged would not vest in the pawnee. The pawner has only a special property. A pawnee has no right of foreclosure since he never had the absolute ownership at law and his equitable title cannot exceed what is specifically granted by law. In this sense a pledge differs from a mortgage in view of the foregoing the pawnee in the instant case i.e. the Government of Uttar Pradesh could not be treated as the holder of the shares pledged in its favour. The Cotton Mills Company continued to be the member of the Polytex Company in respect of the said shares and could exercise its rights under Section 169 of the Act."



5. That shares in dematerialized form are regulated by the Depositories Act, 1996 and the Regulations framed thereunder. This Act makes a distinction between a registered owner and a beneficial owner of a security. A "registered owner" under the Depositories Act means a depository whose name is entered as such in the register of the issuer and a "beneficial owner" means a person whose name is recorded as such with a depository.
6. As per Section 10 of the Depositories Act, 1996 a depository is deemed to be the registered owner for the purpose of effecting transfer of ownership on behalf of a beneficial owner. Beneficial owners is defined to mean a person whose name is recorded as such with a Depository.
7. A beneficial owner may with the previous approval of the Depository create a pledge or hypothecation in respect of a security owned by him through a Depository. The pledge by itself does not bring about any change in the beneficial ownership of the shares pledged. However, on invocation of the pledge, the Depository cancels the entry of pledge in its record and registers the Bank/Security Trustee as the beneficial owners of the shares in its record.
8. In the instant case, pursuant to invocation of the pledge, the Security Trustee is now the beneficial owner of the shares of the Querist which earlier belonged to Dr.Jitendar Das Maganti HUF in the records of the Depository. The Security Trustee is



thus the beneficial owner in terms of Section 2(1) of the Depositories Act, 1996 and also the member of the Corporate Debtor as per Section 2(55) of the Companies Act, 2013. For a share transfer to be valid in the eyes of law, consideration must flow. Any transfer of shares without consideration shall be void in law. The Hon'ble Supreme Court in the matter of *M/s John Tinson & Co. Pvt. Ltd. & Ors. v Mrs Surjeet Malhan and Anr*, (1997) 9 SCC 651, held that any transfer of shares without consideration is invalid. It is thus evident, that the amount as being allegedly claimed is wrong and erroneous and the Applicant as on date is not entitled to initiate proceedings in view of want of locus. The Corporate Debtor reiterates and reaffirms its objections as detailed in its affidavit dated 18.01.2018.



9. That the overlap of actions as between the Applicant and Axis Trustee Services Limited also creates uncertainty as regards exercise of rights and initiation of proceedings as creditor in the case the Corporate Debtor. It is submitted that the locus and identity of the lender/creditor is not established beyond doubt in the instant case. The instant petition thus is liable to be dismissed by this Hon'ble Tribunal.
10. That the instant application as preferred by Axis Bank is also legally untenable in view of the fact that in terms of the meeting of the JLM dated 27.09.2017, Axis Bank was to prefer a Joint Application if any for and on behalf of all lenders.

The legal position is well settled that a joint application can be duly preferred under Section 7 of the IBC. In the said background the submission of Axis Bank to initiate proceedings under IBC by the JLM necessarily envisaged joint application if any. In absence of the same, the present petition suffers from infirmity.

11. That in the instant case the inflows and earnings of the Corporate Debtor are directed to the Trust and Retention Account maintained by Allahabad Bank for Mumbai Hospital and Axis Bank for Vishakhapatnam Hospital. The Lenders have already appointed Grant Thornton (GT) as a cash monitoring agency to monitor the income and expenses of the Hospital. GT is in charge of day to day cash monitoring in relation to the Corporate Debtor. Following is the gist process as undertaken in the instant case to deal with the amount received and expenses met out by the Corporate Debtor:

- Monitoring of Revenue Generated
- Monitoring of Expenses and Payments
- Approving all the payments and forwarding it to the Financial Creditor

12. That the above stated process is being followed in the Corporate Debtor w.e.f August 2017. Since the lenders are retaining 25% as cut-back amount, the operations of the Corporate Debtor are being prejudicially impacted. It is noteworthy that the Corporate Debtor has paid approximately Rs. 47



crores towards recovery during the period April 2017 to December 2017. It is submitted that during the period when the operations of Corporate Debtor are supervised by the lender and cash management is done by GT, the receipts of the Corporate Debtor despite being consistent, the utilization has been negatively impacted and shortfall on operating expenses increased.

13. That it is relevant to mention herein that in the instant case, an arrangement similar to the one under IBC wherein effective control is taken away from the management and vested in a Resolution Professional is already in place in as much as external agencies are already maintaining the operations for the last nine months. In the said background admission of the instant petition and handing over the management to a Resolution Professional who is an outsider having no experience in the field of the Corporate Debtor is gravely prejudicial. It is reiterated that the proposed Interim Resolution Professional has not made adequate disclosures and its Form 2 is not in order.

14. That it is further noteworthy that the Corporate Debtor herein is a Hospital providing medical facilities. A hospital cannot be equated to any other corporate entity carrying on commercial activities in view of fact that hospitals interact with and serve the society with medical help. Human life is fundamentally the most sacrosanct and cannot be equated with any other form. The



Hospital and the Doctors are in a noble profession wherein the ultimate object is benefit of human beings and preservation of human life. Even in case of home buyers the Hon'ble Supreme Court in the Jaypee matter protecting the interest of homebuyers are curtailing the powers of the Banks including the RBI. In the said background appropriate protection and issuance of necessary directions in the case of the Corporate Debtor which is running hospitals is well within the jurisdiction of this Hon'ble Tribunal. This Hon'ble Tribunal can duly take into consideration the line of operations of the Corporate Debtor herein and protect the interest of all which also consists of the Doctors and patients.



15. It is necessary to safeguard and protect the interest of all Stakeholders. They have relied on the judgement of Hon'ble Supreme Court in case of *Chitra Sharma &ors. V. Union of India & Ors.* Writ Petition (Civil) No. 744 / 2017 in the insolvency petition admitted against the Jaypee Infratech Ltd. has appointed a Senior Counsel along with an Advocate on Record to participate in the meetings of the Committee of Creditors of Jaypee Infratech Ltd. to espouse the cause of the home buyers and protect their interests. The Financial Creditors are not entitled to steal a march over other Stakeholders.

16. Further, in a similar case on the sensitive issue of home buyers, the Hon'ble Supreme Court vide its order dated 10.01.2018 in the case of Jaypee

Infratech Ltd. has even stalled the plan of Reserve Bank of India seeking permission to move Hon'ble NCLT and has created a web portal where the home buyers who have invested in the Jaiprakash Associates Ltd. (JAL) can put forth their claim.

17. That owing to the peculiar nature of the operations of the Corporate Debtor it is also critical to determine as to the accountability in case of any adverse effect on the operations of the Corporate Debtor. Since the Corporate Debtor herein deals with medical services which are essential in nature the liability is strict warranting complete responsibility.

18. That running a Hospital requires requisite experience as it involves complex services, constant interaction with lots of patients, quick decision-making and a certain amount of quality control. We are not alien to the fact that how poor management has affected the lives of people and has resulted in immeasurable sorrow to their families. The chart below describes the instances of mismanagement and its repercussions.

Sl. No.	ISSUE	CAUSE
1.	70 children died in BRD Medical College Hospital in Gorakpur.	The supplier cut the supply of liquid oxygen after multiple unpaid bills.
2.	More than 9,950 children died of encephalitis in a single hospital in Gorakpur in the past 40 years.	The poor management, under preparedness and lack of facilities and experts.



3.	17 People including 2 children died at Maharaja Yeshwantrao Hospital in Indore.	Improper management, under preparedness and lack of facilities.
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19. It is submitted that the issue in hand cannot be overlooked by this Hon'ble Tribunal as the operations of the Corporate Debtor attracts vicarious liability. It has been held by the Hon'ble High Court of Kerela in the case of Joseph @ Pappachan v. Dr. George Moonjerly, 1994 (1) KLJ 782 (Ker. HC) that:

"persons who run hospital are in law under the same duty as the humblest doctor: whenever they accept a patient for treatment, they must use reasonable care and skill to ease him of his ailment. The hospital authorities cannot, of course, do it by themselves; they have no ears to listen to the stethoscope, and no hands to hold the surgeon's scalpel."

20. In another judgment by the National Consumer Redressal Commission in case of *Smt. Rekha Gupta v. Bombay Hospital Trust & Anr.*, 2003 (2) CPJ 160 (NCDRC), related to negligence of a consultant doctor, the Commission observed that the hospital who employed all of them whatever the rules were, has to own up for the conduct of its employees. It cannot escape liability by mere statement that it only provided infrastructural facilities, services of nursing staff, supporting staff and technicians and that it cannot suomoto perform or recommend any



operation/ amputation. Any bill including consultant doctor's consultation fees are raised by the hospital on the patient and it deducts 20% commission while remitting fees to the consultant. Whatever be the outcome of the case, hospital cannot disown their responsibility on these superficial grounds. The hospital authorities are not only responsible for their nursing and other staff, doctors, etc. but also for the anaesthetists and surgeons, who practice independently but admit/ operate a case. It does not matter whether they are permanent or temporary, resident or visiting consultants, whole or part time. The hospital authorities are usually held liable for the negligence occurring at the level of any of such personnel. Where an operation is being performed in a hospital by a consultant surgeon who was not in employment of the hospital and negligence occurred, it has been held that it was the hospital that was offering medical services.

21. In view of the above, the instant petition filed by the Axis Bank Limited is liable to be dismissed by this Hon'ble Tribunal.

8. The case was listed before this Bench on various dates viz. 30.11.2017, 18.12.2017, 02.02.2018, 19.01.2018, 30.01.2018, 23.02.2018 and reserved for orders on 26.02.2018.
9. Heard Shri S. Niranjan Reddy, Learned Senior Counsel along with Shri Avinash Desai, Shri Satya Siva Darshan, Ms Alekhya Tadasina, Shri Khamar Kantemneni, Ms Sukanya Bhaumik, Shri Vivek Shetty



and Ms Rubaina S. Khatoon, Learned Counsels for the Petitioner and Shri AlokDhir, Learned Senior Counsel along with Shri Amir Ali Bavani, Ms.Varsha Banerjee, Shri A.S. Prashanth, Learned Counsels for the Corporate Debtor, Shri A. Hanumantha Reddy along with Ms. M. Santi Kumari, Advocates in CA No.14/2018 and Shri P.S. Sastry along with Shri M.D. Phaneendra, Advocates in CA No.32/2018.

10. The Learned Counsels for both the parties have reiterated various contentions raised in their respective pleadings as briefly stated supra and those may not be necessary to advert here again. However, the main points for consideration for the Petition filed under Section 7 of IBC, 2016 are to be looked into irrespective of the difficulties being faced by the Corporate Debtor as explained supra. It is not in dispute that the Financial Creditor extended loans in question as detailed supra. It is the case of the Corporate Debtor that due to several problems faced by them in running the Hospital, they are unable to pay the debt in question and thus committed default.

11. The present Company Petition is filed under Section 7 of IBC, 2016 to initiate CIRP against the Respondents. The main ingredient of Section 7 for the purpose of admission of the case is as follows:-

- (a) a default has occurred and the application under sub-section (2) is complete, and there is no disciplinary proceedings pending against the



proposed resolution professional, it may, by order admit such application; or

- (b) default has not occurred or the application under sub-section (2) is incomplete or any disciplinary proceeding is pending against the proposed resolution professional, it may, by order, reject such application.

7(1) The Financial Creditor either by itself or jointly with other financial creditors may file an application for initiating CIRP against a Corporate Debtor before the Adjudicating Authority when a default as occurred.

7(2) The financial creditor shall make an application under sub-section (1) in such form and manner and accompanied with such fee as may be prescribed.

7(3) The financial creditor shall along with application furnish-

- (a) Record of default recorded with the information utility or such other record or evidence of default as may be specified;
- (b) The name of the resolution professional proposed to act as an interim resolution professional;

12. The Petition can be admitted if the Adjudicating Authority is satisfied that there is an existence of debt and a default is occurred, petition filed is complete and there is no disciplinary proceedings pending against the proposed IRP.



13. In the instant case, as stated supra, the Petition is filed in prescribed form and IRP (namely Shri Abhilash Lal,) was also suggested and total amount claim to be in default is Rs. 737,58,06,619.00 (Rupees Seven Hundred thirty seven Crores fifty eight Lakhs six Thousand six hundred nineteen only) as on 23.10.2017. There are no disciplinary proceedings stated to be pending against the proposed IRP. As per Section 3(12) "default" means non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not repaid by the debtor or the Corporate Debtor, as the case may be; "debt" has been defined under Section 3 (11) means a liability or obligation in respect of a claim which is due from any person and includes a financial debt and operational debt.

14. It is not the case of the Corporate Debtor that they have not taken loans in question. Various issues with regard to the quantum of claim made by the Petitioner / Financial Creditor has to be gone into during the course of CIRP by the IRP/RP, as the case may be, basing on the documents submitted by them. The Adjudicating Authority cannot dwell in to the minor details of the claims and counter claims /set off etc and it would broadly see whether the debt and default in question has arisen or not in accordance with law. As stated supra, even a part of the claim also falls under the definition of default. In any case, the quantum of debt and default can be looked into minutely basing on the documents filed by the Financial Creditors during the CIRP. Therefore, various contentions with regard to



trust, pledge and depository agreements etc, as raised by the Corporate Debtor can be looked into during the process of CIRP by IRP/RP.

15. It is also to be taken into consideration that Doctors, who are the backbone of the Corporate Debtor are also suffering a lot due to non-payment of their salaries and this factor has also to be looked into by the IRP/RP instantly, during the process of CIRP to be commenced, in pursuant to this Tribunal order, as salaries of the Doctors falls under the essential category.

16. The contentions of the Corporate Debtor that the proposed IRP has not given adequate disclosures in Form-2 is not correct and the Form-2 is filed in accordance with law. However, the IRP can submit the required information immediately on his appointment in accordance with IBBI circulars issued from time to time including circular No. IP/005/2018 dated 16.01.2018. Prima facie, the proposed IRP is eligible to be appointed basing on the declaration already filed before this Tribunal. Therefore, the contention of the Corporate Debtor that the Form-2 is not in prescribed form etc is not tenable and thus it is rejected.

17. The Company Application bearing CA No.14/2018 is filed by Dr. Amit Raodeo and 49 others, by inter-alia seeking to implead the Applicants as Respondents 2 to 51 etc. Since the CIRP is initiated by virtue of this order, the impleading applicants / Doctors can approach the IRP by submitting their respective claims



and IRP will look into those grievances and take appropriate action to remedy their grievances.

18. Further the Company Application bearing CA No. 32 of 2018 is filed by Municipal Corporation of Greater Mumbai (MCGM), by inter-alia seeking to implead them as a necessary and proper party for adjudication of the CP. After going through the facts and circumstances mentioned in the CA, the said CA is allowed by impleading MCGM as necessary and proper party in the interest of justice.
19. A letter dated TEEIPL/Sevenhills/JP Morgan/2018/3-2 dated 7.3.2018 is received from Trishul Electromech Engineering (India) Pvt. Ltd, enclosing a copy of Director of Industries (MMR) Mumbai order No. MMR/JDI/MSEFC/order/02/2016/2018/908 dated 22.02.2018 passed in Petition No.02/2016, directing Seven Hills Hospital (Corporate Debtor) to pay to the Applicant (Trishul Electromech Engineering (India) Pvt Ltd) Rs. 21,71,244.81/- along with interest on each and every due amount of the invoice when become payable after deduction of 30 days, till the realisation of the amount to the Petitioner. However, all these issues can be looked into by the IRP/RP during the Corporate Insolvency Resolution Process (CIRP).
20. In view of the above facts and circumstances of the case, I am satisfied that instant Application / Company Petition is filed in accordance with law, duly complying with all the provisions and there is admittedly debt and default in question as elaborated in the preceding



paras. The IRP named is also not undergoing any disciplinary proceedings as per his declaration. Therefore, it is fit case to admit duly initiating CIRP respect of Corporate Debtor.

21. By invoking powers conferred on this Adjudicating Authority, under Section 7(5) of IBC, 2016, the Company Petition bearing CP (IB) No. 282/7/HDB/2017 is hereby admitted with the following consequential orders under the extant provisions of Bankruptcy Code, 2016.



- (a) Hereby appointed Shri Abhilash Lal, (Certificate No. IBBI/IPA-001/IP-P00344/2017-18/10645) R/o C 192, Belvedere Towers, DLF Phase-II, Gurgaon, 122022 as Interim Resolution Professional, by exercising powers under section 16 of IBC, 2016.
- (b) Hereby declared the following Moratorium by prohibiting the following actions:-
- (i) The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgment, decree or order in any court of law, Tribunal, arbitration panel or other authority;
- (ii) Transferring , encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;

- (iii) Any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under Securitization and Reconstruction of Financial Assets and Enforcement of Security interest Act, 2002 (54 of 2002);
- (iv) The recovery of any property by an owner or lessor where such property is occupied by or in possession of the corporate Debtor;
- (v) Direct to cause a public announcement of the initiation of Corporate Insolvency Resolution Process immediately as prescribed under section 15 (1) and (2) of Insolvency and Bankruptcy Code, 2016 and on www.ibbi.gov.in (designated website of Insolvency and Bankruptcy Board of India, circulated vide IIBI/IP/PUBLIC ANN/221 dated 01.02.2017) and email to public.ann@ibbi.gov.in, in addition to other accepted modes of publication immediately and call for submission of claims as per Section 15 of the IBC read with Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The Company is also directed to publish the same in their Official website.



(vi) Directed the Interim Resolution Professional to constitute a Committee of Creditors, after collation of all claims received against the Corporate Debtor and determination of financial position of Corporate Debtor, as per Section 21 of IBC. The First meeting of the committee of creditors, shall be held within 7 days of the constitution of committee of creditors and their decision has to be communicated to the Tribunal as per Section 22 of the IBC.



(vii) Directed the personnel of Sevenhills Health Private Limited (Corporate Debtor), its promoters or any other person associated with the management of Sevenhills Health Private Limited to assist and cooperate with Interim Resolution Professional to provide access to documents and records and management of the affairs of the Company.

(viii) Directed the Interim Resolution Professional to strictly adhere to all extant provisions of the Insolvency and Bankruptcy Code, 2016 and Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, and shall report his actions promptly to this Tribunal by way of sworn affidavits.

(ix) The aggrieved Doctors and MCGM are permitted to submit their representations

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bringing to the notice of the IRP their grievances and consequently IRP and CoC are directed to give top priority to look into the grievances of the Doctors especially with regard to their salaries on priority in accordance with law.



- (x) Company Applications bearing CA No.14 of 2018 and 32 of 2018 are also disposed of by directing the Applicants to approach the IRP with suitable claims / representations.
- (xi) Post the case on 17th April, 2018 for report of IRP.

Sd/-
(RAJESWARA RAO VITTANALA)
MEMBER (JUDICIAL)

G. Ananthasubrahmaniam
For Dy. Regr./Asst. Regr./Court Officer
National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रति
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केस संख्या
CASE NUMBER CP (IB) No. 282/7/HDB/2017
निर्णय का तारीख
DATE OF JUDGEMENT 18.3.2018
प्रति तैयार किया गया तारीख
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